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May 12, 2014

Honorable Paul A. Engelmayer
United States District Judge
Thurgood Marshall United States Courthouse
Courtroom 1305
40 Foley Square
New York, NY 10007

Re: *Priestley v. PanMedix Inc., et al.*
Docket No.: 13-cv-4755 (PAE)

Honorable Sir:

This letter is a joint submission by Jay Edmond Russ, Esq and Dwight Yellen, Esq., in connection with your Honor's Order dated May 1, 2014. Your Honor asked us to see if we could agree on certain remedies.

Panmedix states and has previously stated that it does not own hardware, and to the extent that it has software and code, certain of it is licensed from other companies (for example, Oracle) and cannot be transferred. Panmedix states and has previously stated that its furniture and equipment are pledged to the SBA. Panmedix further states and has previously stated that it cannot make any representation as to any software utility, as the software is over a decade old, everything is "end-of-life" and Panmedix states that it is questionable if it can find the supporting software. Panmedix states and has previously stated that the only database that it has is a database of test results.

Panmedix owns 1) US patents 7,087,015 (Issued AUG 8, 2006) and 6,964,638 (Issued NOV 15, 2005 , 2) a money judgment in the original amount of \$108,931.14 against Cognition, 3) a 10% interest in Cognition patents, and 4) an arbitration award (confirmed by the Court) against Cognition. Panmedix will sign and deliver to Petitioner, assignments of 1-4, prepared by Petitioner's counsel at Petitioner's expense.

Panmedix has a database (electronic and hard files) of test results. The electronic files will be transferred to Petitioner after de-identification of protected health information under several applicable laws. The paper files -- which solely relate to tests on the Cognition drugs -- will be transferred to Petitioner subject to reasonable arrangements with the landlord.

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This will allow Petitioner to obtain certain items sought in this Special Proceeding at the least cost. The remaining rights and remedies of the parties are expressly reserved.

Respectfully,



Dwight Yellen

cc: PanMedix (*via email*)
Jay Russ, Esq (*via email*)